

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

LARGE MINING OPERATIONS 2015 PROGRESS REPORT

January 1, 2015 to December 31, 2015

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: **M/035/0002**
2. Mine Name: **Bingham Canyon Mine**
3. Name of Operator/Permittee: **Kennecott Utah Copper LLC (KUC)**

Note: If Operator's address, company representative or phone numbers have changed, please provide a replacement page for the Notice of Intention.

4. Mine Location:
Sections 7,8,9,10,11,17,18,19,20,21,30 & 32, Township 1S, Range 2W
Sections 9,11,12,13,14,15,16,22,23,24,25,26 & 36, Township 1S, Range 3W
Sections 4,5,9,10,11,14,15,22,23,27 & 33, Township 2S, Range 2W
Sections 7,17,18 & 19, Township 3S, Range 1W
Sections 4,8,9,13,14,15,16,17,19,20,21,24,25,28,29,30,31 & 32 Township 3S, Range 2W
Sections 11,12,13,14,15,21,22,23,24,25,26,27,33,34,35 & 36, Township 3S, Range 3W
Sections 6 & 7, Township 4S, Range 3W
Sections 1, 2, 3, 11 & 12, Township 4S, Range 3W

5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):

Mined Ore	40,781,155 Tons ^a
Stockpiled Ore	2,386,746 Tons ^b
Waste Material Moved	189,764,259 Tons ^c
New Disturbance	487 Acres
Area Reclaimed	0.5 Acres ^d
Total Disturbed Area	10467 Acres ^e

^aShort tons. Total includes material that was rehandled.

^bShort tons.

^cShort tons. Total includes material that was re-handled and/or used for construction projects.

^dWhile very little final seeding was performed in 2015 associated with this permit, two very large reclamation projects are well underway – the South Dumps Storm Water Enhancement Project and the East Waste Rock Enhancement Project.

^eTotal mine disturbance from the beginning of mining operations through the end of 2014.

Was the ore shipped off site? If not, where is the ore located?

- *No ore was shipped off site.*
- *Mined ore was either conveyed to the Copperton Concentrator or was stockpiled on site for future beneficiation.*

Where is the waste located?

- *Waste rock was placed on top of existing waste rock disposal areas, around the perimeter of the open pit.*
- *Waste rock was also used for re-establishing roads and other construction projects.*

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

Bingham Canyon Mine (Bingham Canyon Mine Figure2-1)

1 *Enhancements to South End Dumps Storm Water Management*

- Began construction of the waste rock structure at the base of the south dumps in Yosemite, Saints Rest, and South Saints Rest drainages. Approximately 10.2M tons of waste rock has been placed in these drainages as part of construction of the structure.*
- Maintained new storm water basins in Saints Rest, South Saints Rest, and Castro drainages.*
- Seeded and maintained stockpiled topsoil from the Yosemite, Saints Rest, South Saints Rest, and Castro drainages in preparation for placement of additional waste rock at the base of the South Dumps. Top soil is to be used in future reclamation.*
- Finalized design of storm water modifications for the Yosemite, Olsen, and Butterfield drainages.*

2 *East Waste Rock Enhancements*

- Removed and stockpiled topsoil along the base of the east dumps in preparation for future potential placement of waste rock and the potential installation/modification of mining infrastructure. Top soil is to be used in future reclamation.*
- Performed necessary modifications to the east side collection system in preparation for waste rock placement along the base of the eastern waste rock disposal areas. Modifications include cut-off wall relocation, the construction of storm water basins and conveyance structures, toe ditch construction, and pipeline installation.*
- Began construction of the waste rock structure at the base of the eastern waste rock disposal areas. Approximately 33.6M tons of waste rock has been placed at the base of these waste rock repositories as part of construction of the structure.*

Bingham Canyon Mine Keystone Dump area

3 *Store & Release Cover*

- Technical support provided by Golder Associates.*
- Finalized the collection of meteorological and infiltration data and closed down another of the collection sites.*

South Tailings Area:

4 *Established Test Plots to Evaluate Reclamation Variations*

- A. *Currently evaluating the effectiveness of a slightly modified seed mix on approximately 50 acres.*
- B. *Currently evaluating the effectiveness of a slightly modified seed bed preparation and drill planting method on the same approximate 50 acres.*
- C. *The area was divided into randomized test plots with assigned treatments and control plots.*
- D. *In the spring of 2015, weeds were treated, soil samples were collected to determine pH and limestone was applied.*
- E. *In the fall of 2015, a bar harrow was used for seed bed preparation in certain test plots. In other test plots an implement was used to rip the surface to a depth of 18"; the soil was then disced and compacted.*
- F. *Variations to seed mix application are being evaluated.*
- G. *Plots are to be monitored going forward to determine the effectiveness of each of these methods.*

5 *Reclamation Monitoring*

- A. *Monitoring for seedling success in the South Impoundment and other various sites.*
- B. *Evaluation of seed mix success and neighbouring native vegetation.*
- C. *Monitoring of seed fertilization test plots.*
- D. *Physical evaluation of seed mix for impurities.*

7. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

• *The following attachments are provided to detail 2014 reclamation activities:*

- *2015 UDOGM Annual Reclamation Reporting Register*
- *Bingham Canyon Mine 2015 Disturbed and Reclaimed Areas*
- *Bingham Canyon Mine Figure 2-1*
- *Material Placed – South Dumps and East Waste Rock Projects 2015*
- *Disturbed Area 2015 East Waste Rock Extension*
- *Bingham Canyon Mine (M/035/002) South Dump Soil Salvage and Stockpile Locations*

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Steve Schnoor

Title of Operator: Manager – Environment, Land, and Water

Signature of Operator: _____

Date: **January 29, 2016**

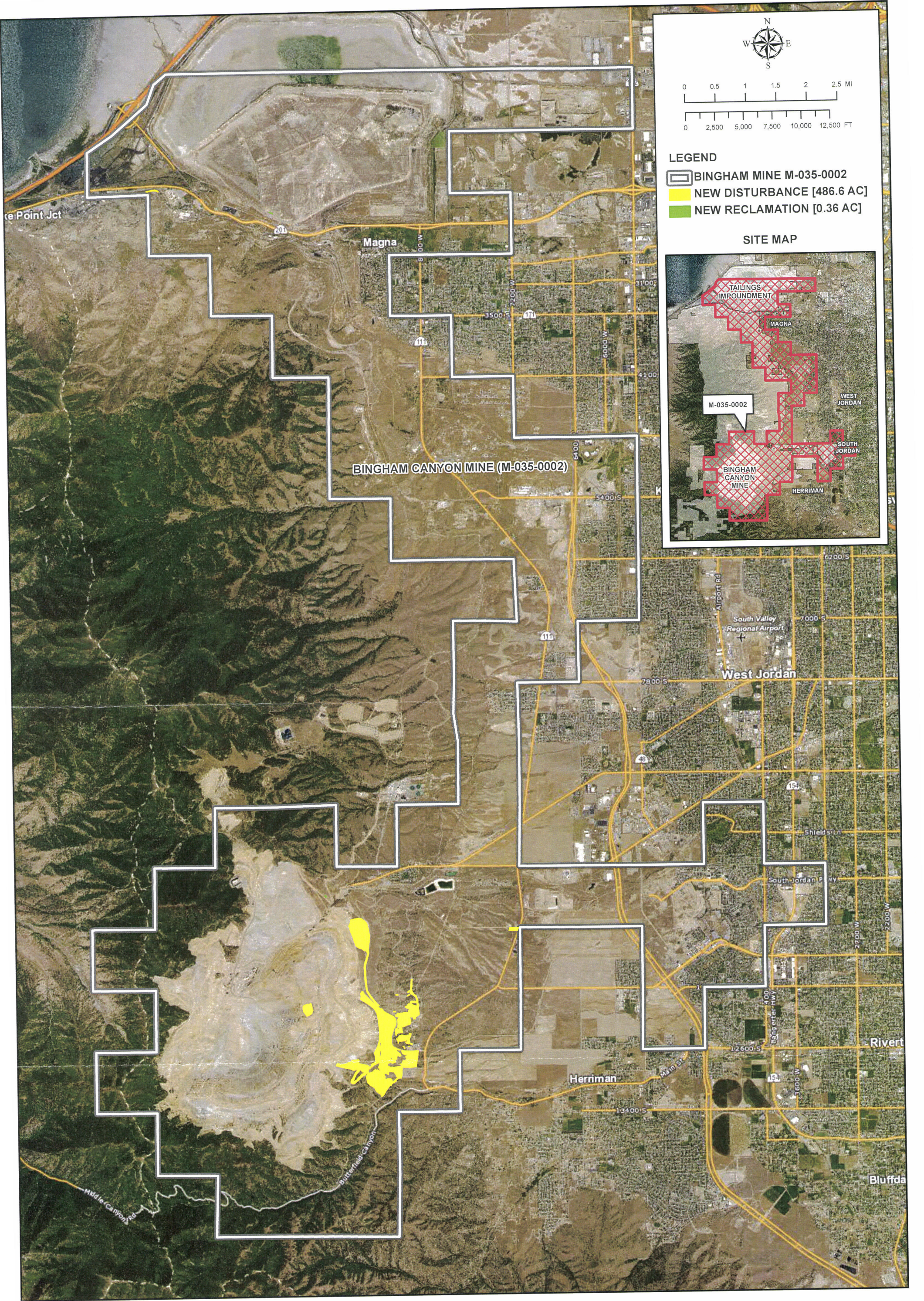
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H:\DOGM\Annual Reporting\2010\BCM M-035-002\File02-2010M-035-002BinghamCanyonMineUDNR-DOGMFormMR.doc

M&RP	PLANT	AREA / PROJECT	2015										Additional							
			Planned ^{1,3}																	
			BAT	Experimental	Demolition	Status	% Complete				\$ Expenditure ²	BAT	Experimental	Demolition	Status	% Complete				\$ Expenditure ²
Q1	Q2	Q3					Q4	Q1	Q2	Q3						Q4				
M/035/0002	Bingham Canyon	South End Dumps	(1) Maintain/Enhance Storm Water Controls in newly-constructed basins. (2) Remove top soil/growth media from several of the drainages associated with the South Dumps. (3) Place additional mine waste rock at the base of the South Dumps to address past storm water issues.				(1) 35% (3) 25%	(1) 70% (3) 50%	(1) 90% (3) 75%	(1)100% (2) 0% (3) 100%	\$ 721,510					(1) 25% (2) 25%	(1) 50% (2) 50%	(1) 75% (2) 75%	(1) 100% (2) 100%	
M/035/0002	Bingham Canyon	Store and Release Cover (Keystone)		(1) Continue to collect meteorological and infiltration data from control site (2) Decommission Keystone Control site according to Mine Plan			(1) 25%	(1) 50%	(1) 75%	(1) 100% (2) 100%										
M/035/0002	Bingham Canyon	Reclamation Quality Assessment and Program		(1) Enhance mapping of reclaimed areas (2) Field verification/inspection of 80% of reclaimed areas (3) Field testing of statistical methodology for success and failure				(1) 10% (2) 50% (3) 40%	(1) 40% (2) 100% (3) 40%	(1) 100% (2) 100% (3) 100%										
M/035/0003	Bingham Canyon	East Waste Rock Expansion		(1) Salvage and stockpile native soils associated with the planned placement of additional waste rock at the base of the East Dumps (2) Place additional waste rock at the base of the East Dumps.			(1) 25%	(1) 50% (2) 0%	(1) 75% (2) 50%	(1) 100% (2) 100%	-									-
M/035/0002	South Tailing	Noxious Weed Treatment	Spot treatment for noxious weeds					50%	100%	100%										
M/035/0002	South Tailing	Enhancement of Existing Reclamation	Reclamation treatment and monitoring of 50 acres on the South Impoundment that was previously disturbed by a fire. Various test plots were established.					50%	75%	100%										
M/035/0002	South Tailing	Various Test Plots & Established Vegetation at the South Tailings Impoundment and Various Facilities		Vegetation Monitoring (1) Various test plots associated with South Tailings and various facilities (2) Vegetation condition monitoring across property (native and reclaimed)			(1) 20% (2) 25%	(1) 30% (2) 50%	(1) 30% (2) 75%	(1) 20% (2) 100%										
M/035/0009	Barneys Canyon	Closure Activities	Includes Engineering/Design of reclamation and closed facilities, surveying, decommissioning, storm water control during closure, monitor well installation, seep water capture and conveyance, maintenance of site during closure.		Decommissioning of facilities.		5%	20%	35%	100%	\$ 3,101,960						(1) 0% (2) 0%	(1) 75% (2) 0%	(1)100% (2) 100%	\$ 1,209,308
M/035/0009	Barneys Canyon	Noxious Weed Treatment	Spot treatment for noxious weeds					(1) 50% (2) 50% (3) 50%	(1) 100% (2) 100% (3) 100%	(1) 100% (2) 100% (3) 100%	\$ -									
M/035/0011	Concentrator	Noxious Weed Treatment	Spot treatment for noxious weeds					50%	100%	100%										
M/035/0015	North Tailing (Kennecott Utah Copper Tailing)	Reclamation of North Slope and East Abutment	Reclamation of 68 acres along the North Slope W21-E22 and East Abutment				0%	5%	90%	5%	\$ 2,723,270									
M/035/0015	North Tailing (Kennecott Utah Copper Tailing)	Reclamation Maintenance	Placement of secondary fertilizer on 44 acres on the North Impoundment. Apply biosolids and wood chips to 27 acres along the east abutment, treat 19 acres with limestone on the north slope.				40%	40%	0%	20%	\$ 30,670									
M/045/0004	Carr Fork, Pine Canyon	Entire	None currently planned																	

¹ 2015 Board Presentation and/or 2015 Reclamation Activities Plan
² Expend a minimum average, of \$50,000 – 1978 dollars per year for each three year period, in maintaining a program of experimentation and in the application of BAT toward rehabilitation of land.
Mine BAT/Rec includes rental, maintenance and operation of equipment, seed/seedling, fertilizer/mulch/limestone application and purchase,
³ Information incorporates GHG reclamation activities assessment

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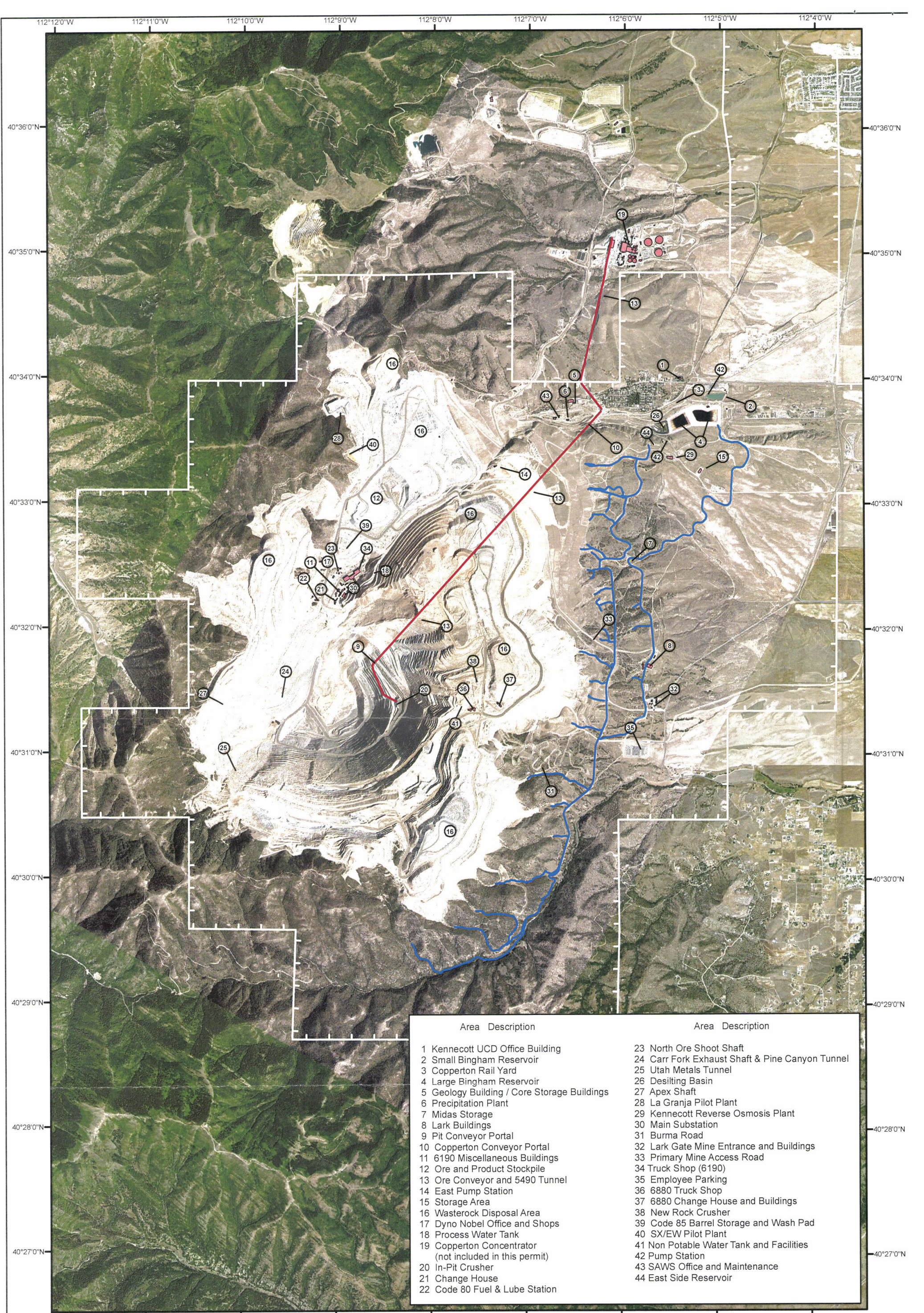
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Rio Tinto
Kennecott Copper

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BINGHAM CANYON MINE M-035-0002
2015 DISTURBED AND RECLAIMED AREAS



Area	Description	Area	Description
1	Kennecott UCD Office Building	23	North Ore Shoot Shaft
2	Small Bingham Reservoir	24	Carr Fork Exhaust Shaft & Pine Canyon Tunnel
3	Copperton Rail Yard	25	Utah Metals Tunnel
4	Large Bingham Reservoir	26	Desilting Basin
5	Geology Building / Core Storage Buildings	27	Apex Shaft
6	Precipitation Plant	28	La Granja Pilot Plant
7	Midas Storage	29	Kennecott Reverse Osmosis Plant
8	Lark Buildings	30	Main Substation
9	Pit Conveyor Portal	31	Burma Road
10	Copperton Conveyor Portal	32	Lark Gate Mine Entrance and Buildings
11	6190 Miscellaneous Buildings	33	Primary Mine Access Road
12	Ore and Product Stockpile	34	Truck Shop (6190)
13	Ore Conveyor and 5490 Tunnel	35	Employee Parking
14	East Pump Station	36	6880 Truck Shop
15	Storage Area	37	6880 Change House and Buildings
16	Wasterock Disposal Area	38	New Rock Crusher
17	Dyno Nobel Office and Shops	39	Code 85 Barrel Storage and Wash Pad
18	Process Water Tank	40	SX/EW Pilot Plant
19	Copperton Concentrator (not included in this permit)	41	Non Potable Water Tank and Facilities
20	In-Pit Crusher	42	Pump Station
21	Change House	43	SAWS Office and Maintenance
22	Code 80 Fuel & Lube Station	44	East Side Reservoir

The information on this map is based on the most current information available to Kennecott and should be used for planning purposes only. No warranty expressed or implied is made regarding the accuracy or utility of the data for general or scientific purposes, nor shall the act of distribution constitute any such warranty.

NOTE: Image dates 2013, 2011.
Scale expressed as relative fraction.

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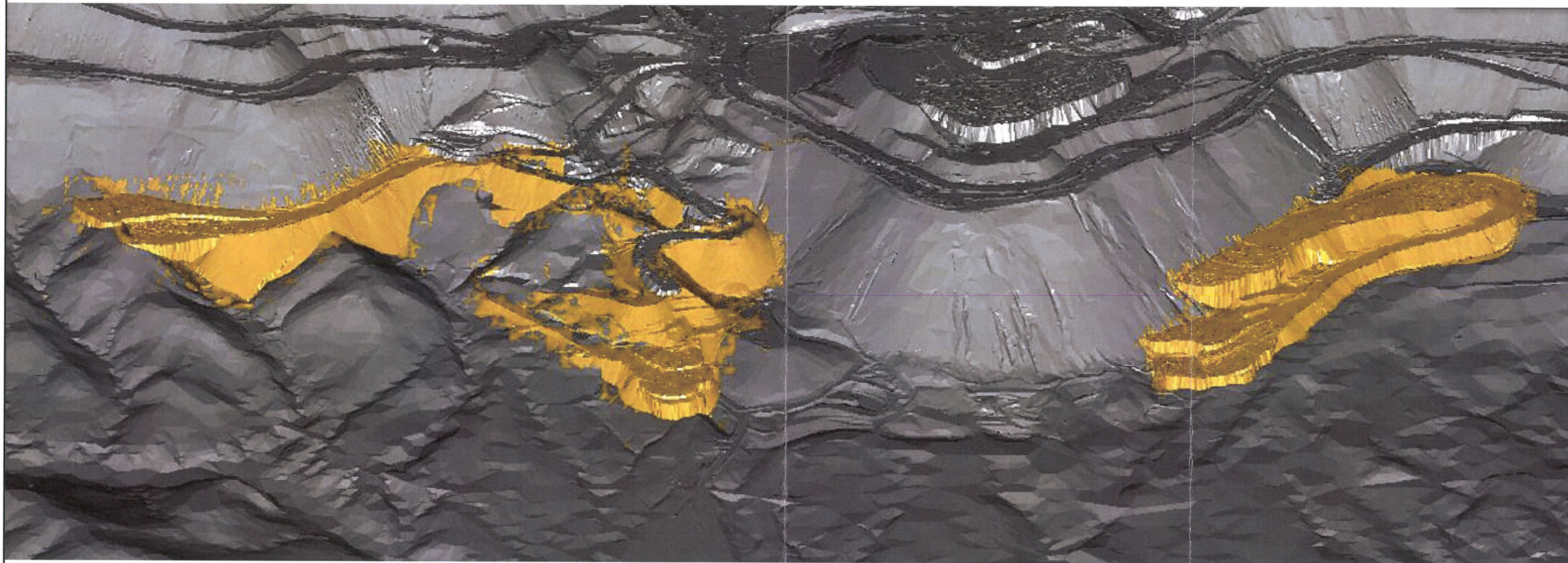
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User: aordon.douglass

- Permit Boundary
- Eastside Storm and Leach Water Collection
- Ore Conveyor
- Kennecott Facilities

Rio Tinto
Kennecott Utah Copper

FIGURE 2-1
BINGHAM CANYON MINE FACILITIES
BINGHAM CANYON MINE, KUC
PERMIT # M/035/0002



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Rio Tinto
Kennecott Copper

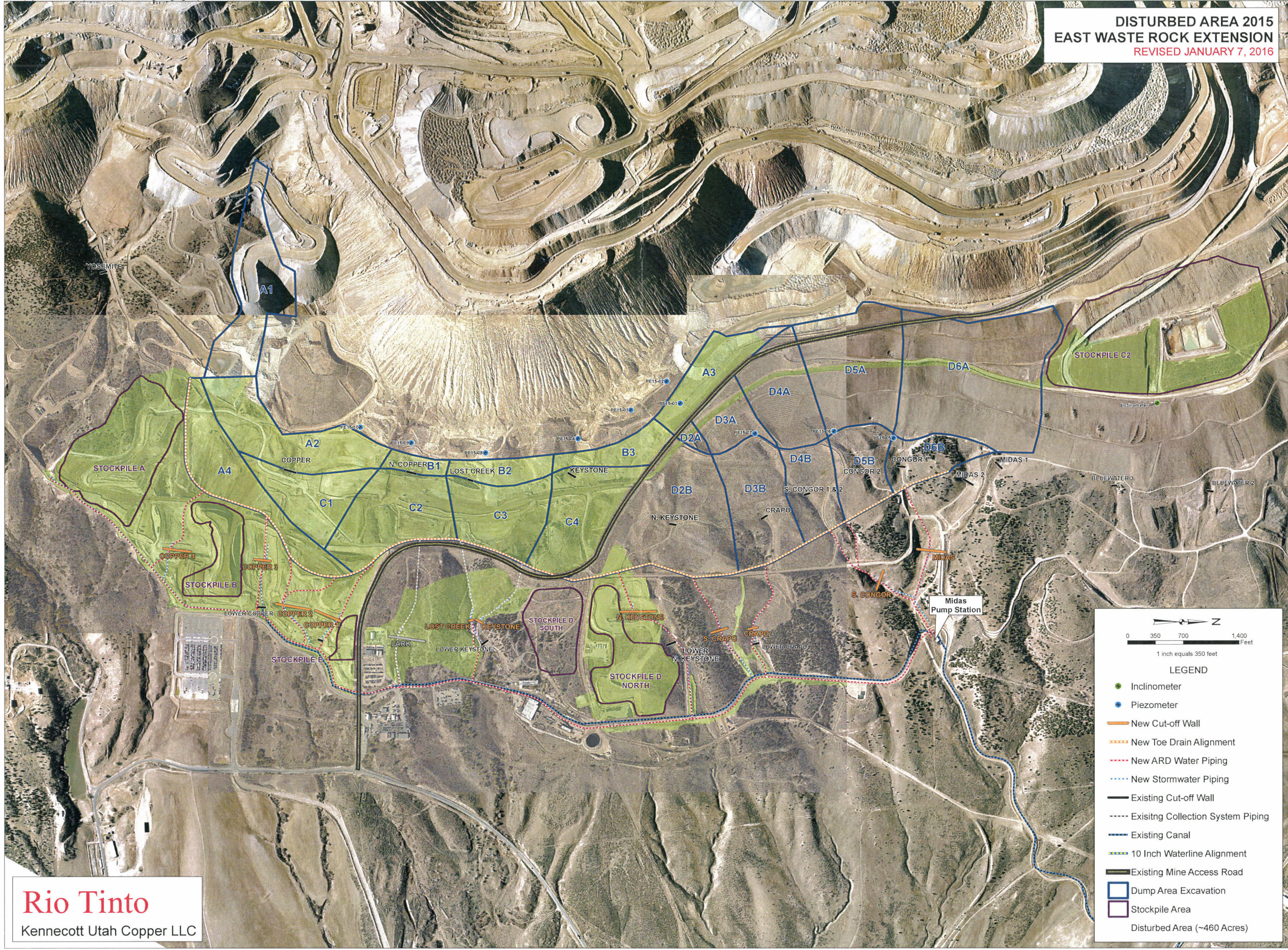
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MATERIAL PLACED

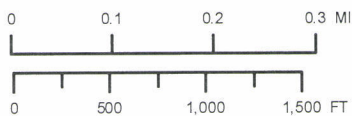
SOUTH DUMPS AND EAST WASTE ROCK PROJECTS 2015

DISTURBED AREA 2015
EAST WASTE ROCK EXTENSION
REVISED JANUARY 7, 2016



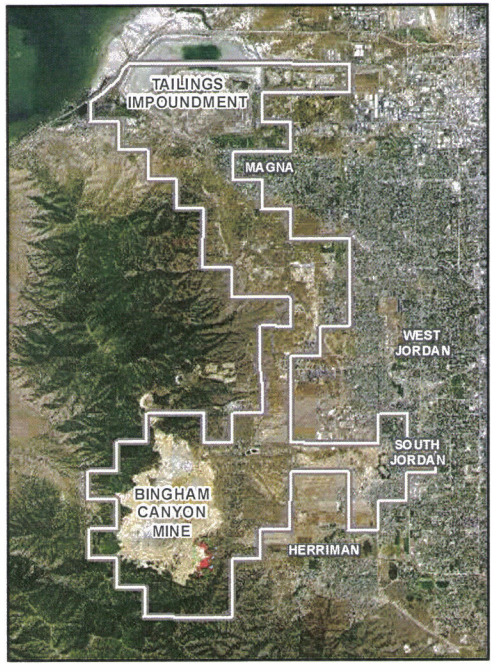
Rio Tinto
Kennecott Utah Copper LLC

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- LEGEND**
- STOCKPILE LOCATIONS
 - AREA OF TOPSOIL/GROWTH MEDIA REMOVAL
 - M\035\0002 PERMIT BOUNDARY

SITE MAP



Rio Tinto
Kennecott Copper

DATE: 1/30/2015 11:03:50 AM
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BINGHAM CANYON MINE (M\035\0002)
SOUTH DUMP SOIL SALVAGE AND STOCKPILE LOCATIONS

Kennecott Utah Copper
4700 Daybreak Parkway
South Jordan, Utah 84095
801-204-2128 (o)
801-569-7192 (f)

Steve Schnoor
Manager – Environment, Land, and Water

29 January 2016

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FEB 4 2016

DIV. OF OIL, GAS & MINING

Mr. Paul Baker, Minerals Program Manager
Division of Oil, Gas & Mining
Utah Department of Natural Resources
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Ms. Leslie Heppler

**Subject: Large Mining Operations 2015 Annual Report
January 1, 2015 to December 31, 2015
M/035/0002
Bingham Canyon Mine**

Dear Mr. Baker:

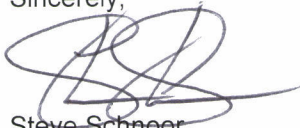
Please find attached Form MR-AR for permit number M/035/0002, Bingham Canyon Mine.

Reference maps are included with this annual report, as well as the KUC document UDOGM Annual Reporting Register through Q4 2014.

KUC is also providing updated information regarding mining activities performed in 2015 (Attachment A) not specifically addressed on Form MR-AR for M/035/0002.

If you have any questions about these annual reports, please contact Trevor Heaton at 801-563-1514.

Sincerely,



Steve Schnoor
Manager – Environment, Land, and Water

Attachment A

Title:

Update of Mining Activities Related to Bingham Canyon Mine Operations (M/035/0002)

Context:

The division has been briefed in various capacities throughout the year regarding new and/or continued mining activities related to the Bingham Canyon Mine operation.

Purpose:

The intent of this update is to provide the division with a brief summary of mining related activities completed or ongoing throughout the year.

Summary of Activities (not addressed on Form MR-AR):

- Chalcopyrite Heap Leach Project (CHLP)
 - Pilot scale copper heap leach facility including pilot SX/EW plant (work not associated with leaching at Bingham) is located in Dry Fork Canyon atop existing historic waste rock
 - The pilot facility began operation under leach in Q1-2012 and continued to operate until Q4 2014
 - In Q4 2014, the facility ceased operations and transitioned into care and maintenance until operations resume at a future time
 - The facility is being monitored to ensure compliance with existing permits
- Common Access Decline / North Wall Drainage Gallery
 - The North Wall Drainage Gallery consists of 2916ft of Centerline Development, 1895ft of Off-Centerline Development and 189,000ft of dewatering drilling
 - Development of the Common Access Decline and North Wall Drainage Gallery were completed in 2015 resulting in 11,522 of total lateral development for the project
 - North Wall drainage drilling commenced in Q2 2015 and completed 51,769ft by year end
- South Wall Drainage Gallery
 - 9,356ft of the 11534ft of development has been completed on the South Wall Drainage Gallery. Completion of development in the South Wall Drainage Gallery is expected in Q1 2016
 - 190,468 of the 478,800ft of dewatering drilling has been completed
- North Wall / South Wall Drainage Gallery Connection

- Construction began in December 2015 with completion anticipated in Q2 2016.
- The Connection tunnel consists of 3,250 feet of Centerline development and 700 feet of Off Centerline development
- Bingham Tunnel Rehabilitation
 - The Bingham Tunnel Rehabilitation Project commenced in Q3 of 2015 with completion expected in Q3 2016
 - The Bingham Tunnel Rehabilitation Project consists of rehabilitation efforts and increased ground support over approximately 4,260ft of existing legacy tunnel